

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Order Instituting Rulemaking to Establish a
Framework and Processes for Assessing the
Affordability of Utility Service

Rulemaking 18-07-006
(Filed July 12, 2018)

**COMMENTS OF SIERRA CLUB, THE CALIFORNIA ENVIRONMENTAL JUSTICE
ALLIANCE, AND THE NATURAL RESOURCES DEFENSE COUNCIL ON THE
ASSIGNED COMMISSIONER'S RULING AMENDING RULING OF MAY 20, 2022
AND FURTHER UPDATING PROCEEDING SCHEDULE FOR PHASE 3 OF
PROCEEDING**

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Justice Alliance*

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Pursuant to the Assigned Commissioner’s Ruling Amending Ruling of May 20, 2022 And Further Updating Proceeding Schedule For Phase 3 Of Proceeding (“Ruling”), Sierra Club, the California Environmental Justice Alliance (“CEJA”), and the Natural Resources Defense Council (“NRDC”) timely file the following comments.

I. Introduction

Addressing California’s climate crisis will require residents throughout the state to change how they transit as well as heat and cool their homes. With some of the highest electricity rates in the nation,¹ this transition is slowed by considerable economic costs and non-financial barriers preventing many communities from electrifying, undercutting the potential public health and climate benefits of California’s climate programs and widening the gap between different communities based on income. A key component of the state’s commitments to addressing climate change is improving public health and economic equity, including utility rates and bills. But still, Californians with the very lowest income, at or below 50% of the Federal Poverty Level (“FPL”), already face energy burdens in the 15 to 20% range even after the CARE discount, and

¹ Utility Costs and Affordability of the Grid of the Future: An Evaluation of Electric Costs, Rates, and Equity Issues Pursuant to P.U. Code Section 913.1 (May 2021), pp. 11-12, https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/office-of-governmental-affairs-division/reports/2021/senate-bill-695-report-2021-and-en-banc-whitepaper_final_04302021.pdf.

customers in the 50% to 100% FPL income bracket have energy burdens at roughly 10%.² Low-income households in California have also borne the most severe impacts of climate change, and moreover, the vast majority of low-income households are renters who are, for the most part, at the mercy of landlords' willingness (or lack thereof) to invest in weatherization and other efficiency measures that would lower bills.

As climate change worsens, a cascade of increasing costs to address more severe and frequent wildfires and adapt the electricity system accordingly will result in higher rates.³ For the state to effectively implement solutions to climate change, low-income communities must participate in the state's transition to all-electric transportation, heating and cooling. If affordability remains a barrier to this participation, low-income communities will continue bearing the greatest public health burdens from climate change, such as increased injury, illness, and death due to extreme heat, higher pollution burdens, and higher rates of disaster events.⁴ In addition, unaffordable electric rates should not force low-income households to choose between cooling during extreme weather and purchasing other essentials such as food and healthcare. Therefore, any delay in making electricity in California more affordable is a delay in achieving its climate goals.

While Sierra Club, the California Environmental Justice Alliance ("CEJA"), and the Natural Resources Defense Council ("NRDC") appreciate the opportunity to continue exploring solutions to the affordability crisis and value additional feedback from communities through Commission listening sessions, these listening sessions must work toward implementing meaningful solutions in the immediate term and treat affordability as a crisis that must be addressed swiftly. Therefore, we recommend that the Commission's listening sessions: 1) be grounded in energy affordability principles with clearly articulated goals, 2) focus on co-creating affordability solutions with community input and solicit targeted feedback around specific proposals, 3) incorporate feedback from listening sessions into the record to vet the

² These are approximate averages, based on energy bill estimates from the Affordability Gap data for California, discounted by one-third, to account for the CARE rate discounts for both electricity and gas. 2021 Affordability Gap Data, Home Energy Affordability Gap, http://www.homeenergyaffordabilitygap.com/03a_affordabilityData.html.

³ *California's Gas System in Transition: Equitable, Affordable, Decarbonized, and Smaller*, Gridworks, (September 2020), pp. 1-2, https://gridworks.org/wp-content/uploads/2019/09/CA_Gas_System_in_Transition.pdf.

⁴ Ross Brown and Sonia Petek, *Climate Change Impacts Across California*, California Legislative Analyst's Office, <https://lao.ca.gov/reports/2022/4580/Climate-Change-Impacts-Health-040522.pdf>.

Commission's affordability proposals, and 4) be developed in partnership with community-based organizations ("CBOs") to ensure that listening sessions are accessible to communities. Finally, we recommend the Commission 5) consolidate affordability proceedings to improve community engagement and engagement from CBOs, where possible. Each point is discussed below.

II. Discussion

A. This Proceeding Should Be Grounded in Energy Affordability Principles and Listening Sessions Should Be Transparent In Their Purpose.

We urge the Commission to orient this proceeding and the upcoming listening sessions around energy affordability principles that have basis in California law and Commission precedent and that will ensure that Californians see just and sustainable solutions from engagement:

1. Energy is a human right and must be accessible to everyone.

Energy access is recognized worldwide as fundamental to people's ability to make a living, communicate with each other, and live comfortably.⁵ In California, energy access determines whether residents of areas with increasingly extreme heat can cool their homes, with deadly consequences if they cannot.⁶ Relative access to different energy sources can have drastically different public health impacts: Californians who burn gas to heat their homes face considerably worse health outcomes than those fortunate enough to have electric homes.⁷

2. In order to be equitable and accessible, energy must be affordable.

Affordable energy ensures that poorer Californians are not faced with making sacrifices on basic needs. Affordable heating and cooling means that elderly Californians do not have to worry about choosing between their economic wellbeing and actual survival. It means that

⁵ United Nations, *UN Sustainable Development Goals*, 7: Affordable Energy, <https://www.un.org/sustainabledevelopment/energy/>.

⁶ Ruben Vives, *As Heat Waves Intensify, Access to Air Conditioning Can Mean Life or Death*, LA Times, (October 7, 2021), <https://www.latimes.com/environment/story/2021-10-07/as-heat-waves-intensify-access-to-air-conditioning-can-mean-life-or-death>; see also Paul English, *Extreme Heat Is One of the Deadliest Consequences of Climate Change*, Public Health Institute, (October 7, 2021), <https://www.phi.org/press/extreme-heat-is-one-of-the-deadliest-consequences-of-climate-change>.

⁷ Yifang Zhu et al., *Effects of Residential Gas Appliances on Indoor and Outdoor Air Quality and Public Health in California*, UCLA Fielding School of Public Health, pp. 6 (April 2020), <https://ucla.app.box.com/s/xyzt8jc1ixnetiv0269qe704wu0ihif7>.

children in California do not have to worry about imposing unreasonable costs on their families to use a computer to do their homework.

Affordable energy also ensures that existing inequities in California are not amplified, consistent with the Environmental and Social Justice Action Plan Goal 1: “Consistently integrate equity and access considerations throughout CPUC regulatory activities.”⁸ Residents of the San Joaquin Valley, who may not be able to live in cooler areas or who may have been displaced from coastal metropolitan areas, should not be uniquely burdened by high energy bills.⁹

3. In the short term, energy bills should be no more than an acceptable fraction of total household income.

To ensure access to energy, low-income Californians should not have to pay a substantial percentage of their income towards electricity and gas. To be clear, income does not determine energy needs, and it is thus a regressive tax on poor Californians to burden them with bills that consume large percentages of their already stretched-thin incomes.¹⁰ Low-income Californians already face astronomically high expenses for housing, food, transportation, and schooling, among other expenses. Examining existing literature on affordable energy and energy burdens, energy bills should be, at most, 6 percent of household income, at which point a household is considered “energy poor.”¹¹ Therefore, the Commission should implement policies that result in energy bills being an affordable fraction of total household income.

4. In the long term, energy affordability will also be governed by access to weatherization and electrification, which will lower bills through efficiency.

All Californians, particularly low and middle-income utility customers, benefit from efficiency gains from electrification and weatherization. While caps on bills are necessary to

⁸ *Environmental and Social Justice Action Plan 2.0*, CPUC, (April 7, 2022), pp. 4-5, <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/esj-action-plan-v2jw.pdf>.

⁹ Pedro Hernandez, *Climate Report Issues Bleak Warning for Valley Communities*, The Sun-Gazette, (March 30, 2022), <https://thesungazette.com/article/ivanhoe-sol/2022/03/30/climate-report-issues-bleak-warning-for-valley-communities/>.

¹⁰ *Low-Income Energy Affordability: Conclusions from a Literature Review*, Oak Ridge National Laboratory (March 2020), pp. 7-11, <https://info.ornl.gov/sites/publications/Files/Pub124723.pdf>.

¹¹ *Why Low-Income Households Spend More On Energy and Why That’s Bad for Our Health and the Earth*, Neighborhood Data for Social Change, (November 5, 2021), <https://www.kcet.org/neighborhood-data-for-social-change/why-low-income-households-spend-more-on-energy-and-why-thats-bad-for-our-health-and-the-earth>.

address an immediate affordability crisis, weatherization and electrification that enables customers to maximize their energy use will lower bills not only for those who cool and heat their homes with electric technologies, such as heat pumps, but will also bring down marginal and system costs overall, creating affordability benefits for all customers. Ensuring that energy-burdened residents have affordable access to efficient electric appliances and weatherization will mean lower bills longer-term for vulnerable Californians.

5. Energy affordability and continued fossil fuel investments are contradictory.

As this proceeding has illuminated, utility customers cannot afford continued investments in a gas system that must be obsolete in coming decades for California to meet its climate commitments.¹² In the long run, current gas investments will become stranded assets, thus leading to high bills for customers unable to electrify their homes.¹³ It is fundamental to this current affordability crisis that solutions do not create further crises in the future. Even when fossil fuel investments might create short term savings on customer's bills, the Commission must take into account the cost of climate change and local pollution *in addition to* the potential stranded assets from those investments that could create burdensome bills on gas customers in the near future.¹⁴

6. Decision-making must be transparent.

Customers deserve to know what steps are being taken in their name to lower bills. The Commission should ensure that the record for any affordability-related measures is publicly accessible and understandable. Additionally, public comments on these decisions should be documented and incorporated into decision-making. To ensure this transparency and enable community members to actively participate in listening sessions and gather this input, the

¹² See, e.g., Tim O'Connor, 2022 Affordability Rulemaking En Banc: Evaluating Innovative Proposals for Cost Containment and Customer Protection, (February 28, 2022), slide 7; Jana Ganion, CPUC Affordability Proceeding En Banc Affordability Considerations from Blue Lake Rancheria (February 28, 2022), slide 4.

¹³ *Gas Resource And Infrastructure Planning for California: A Proposed Approach to Long-Term Gas Planning*, Gridworks, (January 2021), pp. 8, 25, https://gridworks.org/wp-content/uploads/2021/01/CA_Gas_Resource_Infrastructure_Plan_Report_FINAL.pdf.

¹⁴ *Estimates for the social cost of carbon range from \$42-46 per 1 ton of CO₂*, EPA Social Cost of Carbon Fact Sheet, (December 2016), https://www.epa.gov/sites/default/files/2016-12/documents/social_cost_of_carbon_fact_sheet.pdf.

Commission should give clear and accessible presentations on potential affordability options being considered as well as potential advantages and disadvantages of each option.

B. The Commission Must Ensure Listening Sessions are Focused on Co-Creating Solutions with Communities Rather than Only Focusing on Problems We Have Already Identified.

To deepen its community engagement across low-income and disadvantaged communities, we urge the Commission to focus these listening sessions towards co-creating solutions with participants. This requires first presenting a list of solutions that have been vetted by the Disadvantaged Communities Advisory Group (“DACAG”), gathering feedback on the *reasons* Californians cannot afford their energy bills, engaging participants with real and meaningful solutions that can be acted on in the near term, and using their feedback to improve current and identify new solutions. Therefore, we suggest the listening sessions dedicate a significant amount of time to presentations on key proposals that may have the most impact on frontline communities and have gained the most traction amongst advocates and CBOs. In order to receive informed feedback and co-design these solutions through listening sessions, the Commission must provide participants with information, resources, and tools that describe these affordability proposals in an accessible format. Additionally, the Commission should send out an agenda well in advance, so that communities and CBOs have time to prepare responses and check in internally. This will facilitate more meaningful engagement with CBOs and community members and allow the Commission to gather targeted and strategic information to begin answering ongoing questions regarding each proposal and move toward swift implementation.

We recommend the Commission include presentations and meaningful discussion of these proposals. This list should also be vetted by DACAG to ensure all necessary solutions are included throughout the listening sessions.

1. Percentage of Income Payment Plans combined with community solar & electrification and weatherization
2. Lowering the rate of return of public utilities
3. Prohibiting new fossil fuel and dairy methane investments
4. Exploring supplemental state funding for clean energy priorities outside of rates
5. Reducing consumption charges by implementing income-based fixed charges

6. Implementing a one-stop shop for ratepayers to access programs for energy efficiency, demand response, community solar, and building electrification

The listening sessions should gather feedback on how affordability impacts customers by soliciting their lived experiences and gathering concerns with bills, outreach, and communication. Additionally, the listening sessions should focus on gathering information necessary to answer ongoing questions regarding the successful implementation of these programs. For example, there are several open questions regarding the implementation of Percentage of Income Payment Plans (“PIPPs”) or other income-based charges that should be addressed in the listening sessions such as:

Adopting a definition of affordability based on percentage of income: An income-based program requires a definition of affordability in terms of percentage of income so that the funds needed can be estimated. Several states, such as New Jersey, Illinois, and Colorado have energy affordability programs that limit energy bills to an “affordable” amount; this is usually defined as six percent of income, including all household electric and non-electric energy costs. Colorado’s approach of a monthly charge of \$10 for households with no income could be adopted in California’s income-based programs.¹⁵ This definition of affordability should be determined through community input in listening sessions that solicit lived experiences of how affordability impacts individuals at the household level and discuss community concerns regarding bills, outreach, communication, and the tradeoffs households make between paying for energy and other essential goods and services.

Supporting renters through the energy transition: The vast majority of low-income households in California are renters; as such, they do not have the power, one way or another, to make a decision to electrify. Only the landlord can do that, and the landlord is not directly affected by the affordability limit or how it is parsed between electricity and gas. A lower total affordability limit, such as 5-6 percent, would make regular rent payment more likely, providing for a more stable rental situation, benefiting both the renter and landlord. Arguably, this stability

¹⁵ Different limits could be considered for different income levels. For instance, an affordability limit of 5% could be adopted for households with incomes less than 100% of FPL and 6% for households with incomes from 101% to 200% of FPL. In the latter case, a split of 3% and 3% for the electric and non-electric portions could be adopted as is the case in other states.

could provide the landlord with at least a small incentive to invest to improve the property, including potentially through electrification. The listening sessions should solicit input from renters and landlords on the impact and the appropriate amount of the affordability limit, as well as any other ideas to support renters through the energy transition. Additionally, the Commission's listening sessions should solicit input on what community members would consider affordable to determine the appropriate threshold(s) that California might set for income-based fixed charges. This feedback should also include renters' concerns regarding clean energy and efficiency charges.

Gathering information on non-energy benefits of affordable bills and healthy housing: Affordable electric bills help reduce conflicts between paying utility bills and paying the rent or mortgage bill, buying food and medicines and other household essentials. To better understand the interaction between energy costs and other household costs, the Commission should also solicit input during its listening sessions on the benefits of affordable bills and healthy housing. Specific examples of the experience of low- and moderate-income households and representatives of CBOs in this regard would give the Commission examples of positive non-energy benefits that can be imputed to making energy bills affordable and housing livable. For instance, it has been calculated that a single homelessness event not only brings tragedy and difficulty upon the family, but also translates to higher societal costs in the form of added costs from emergency room visits and public shelter that can add up to tens of thousands of dollars.¹⁶

Additionally, the Commission should develop a baseline of the financial condition of households, including energy bill-rent/mortgage, water and sewer bills, medicine, food, conflicts, so that the benefits of reduction in these conflicts can be assessed. These “non-energy benefits” such as better health, reduced housing loss, and reduced emergency room visits can and should then be assessed against the cost of the program.

Identifying and Addressing Barriers to Community Solar: The Commission should utilize listening sessions to solicit feedback on obstacles to participation of low-income households in community solar. It should be recognized that many households on an income-based assistance

¹⁶ Arjun Makhijani, Christina Mills, and Annie Makhijani, *Energy Justice in Maryland's Residential and Renewable Energy Sectors*, Institute for Energy and Environmental Research (2015), Chapter 8.

program may not sign up for a community solar project because there is marginal to no benefit and it is potentially not worth the risk of another contract. The Commission should raise this issue during its listening sessions and also suggest possibilities for resolution to get direct feedback from the intended beneficiaries of income-based assistance programs and community solar. The fact that those who fund an income-based program will benefit should also be part of the discussion.

C. Public Input Gathered from the Commission’s Listening Sessions Should be Incorporated into the Proceeding Record and Inform the Commission’s Vetting of Both Affordability Issues and Solutions.

The Commission’s listening sessions provide an opportunity for the Commission to gather direct public input on affordability issues and on specific identified proposals in addition to exposing the Commission to potentially new ideas and solutions.

It is critical that these listening sessions constitute real engagement rather than a procedural checkbox, meaning that public input gathered at these sessions should become record evidence that the Commission (and stakeholders) can refer to in later stages of this proceeding. The June 9th ALJ Ruling states that the purpose of the listening sessions is “to present the Commission’s 2022 SB 695 Report findings and hear from the public on regional affordability issues.”¹⁷ Given that participants to these sessions will be volunteering their time and experience to inform the Commission’s work, public statements should be given substantive weight to make this input actionable as the Commission vets affordability proposals. In particular, Commission staff should track any new concerns raised or proposed solutions provided in public comment. We recommend that the Commission record and transcribe all public statements and formally include them as part of the proceeding record.

There is Commission precedent for ascribing weight to public comments in this way. For example, in the Microgrids proceeding, community input on a proposed microgrid incentive program was gathered at a series of workshops and described in detail in a final report provided to the Commission and stakeholders.¹⁸ A similar process should happen for gathering input on affordability during the listening sessions.

¹⁷ June 9, 2022 ALJ Ruling, p.3.

¹⁸ R.19-09-009: Proposed Microgrid Incentive Program Implementation Plan of San Diego Gas & Electric Company (U 902-E), Pacific Gas and Electric Company (U 39-E), And Southern California Edison

D. The Commission Should Partner with CBOs in Developing the Listening Sessions and Ensure the Sessions are Accessible to Communities and a Meaningful Use of Their Time.

We commend the Commission for soliciting comments on how to maximize public outreach and engagement for the listening sessions. If done properly, this work would further Goals 1, 5, and 9 from the Commission’s Environmental and Social Justice Action Plan.¹⁹ In particular, Goal 5 orders the Commission to “enhance outreach and public participation opportunities for ESJ communities to meaningfully participate in the CPUC’s decision-making process and benefit from CPUC programs.” In order to do so, the Commission must learn from past shortcomings and proactively use best practices, including those outlined below. Additionally, Goal 9 orders this Commission to “promote meaningful feedback loops” to evaluate the extent to which the Commission is achieving its ESJ action plan goals. In order to achieve this goal, it is vital that informed and substantive guidance from ratepayers in ESJ communities be put on the record so that the Commission can evaluate and have it inform not only the immediate outcome of this proceeding, but also support with evaluating affordability outcomes going forward. To ensure meaningful engagement with CBOs in designing these listening sessions and promoting meaningful feedback loops, we recommend the Commission follow guidance for best practices for coordinating with CBOs in CEJA’s 2020 report on building a just energy future.²⁰

The Commission must make the purpose and outcomes of the listening sessions clear from the beginning. Transparency is vital because it allows CBOs that are involved in the planning process to fully engage in the process as well as convey it to communities and prepare community residents to meaningfully engage. Without this transparency, ratepayers who are not already immersed in the policies being considered in this proceeding will not be prepared to provide substantive feedback. The Commission does not need to hold listening sessions to confirm that ratepayers, especially low-income ratepayers and residents of disadvantaged communities are struggling to afford their bills. There is already ample evidence to make that

Company (U 338-E), Attachment 2 – Workshop Summaries, (December 03, 2021), <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M428/K469/428469637.PDF>.

¹⁹ *Environmental and Social Justice Action Plan 2.0*, CPUC, (April 7, 2022).

²⁰ California Environmental Justice Alliance, *Building a Just Energy Future*, pp. 27-33, <https://caleja.org/wp-content/uploads/2020/11/CEJA-CCA-REPORT-SINGLE-PAGE.pdf>.

clear.²¹ Rather, the goals of the listening sessions must be focused on the tangible policy change that may benefit those participating in the listening sessions.

In addition to allowing CBOs and ratepayers to prepare for the listening sessions, having a clear purpose will set expectations with ratepayers as to why they should participate and what their participation can accomplish. The Commission should not just strive to maximize attendance, but actually achieve meaningful participation and engagement. This can only be accomplished with a clear setting of expectations from the outset. This includes timing, scope, and the role of the listening sessions in the Commission's decision-making process. It's also important to lay out the scope of this proceeding and ultimately how this will lead to more affordable energy bills. In addition, it is important for the Commission to compile information gathered from these listening sessions and (1) ensure it is unambiguously centered in the proceeding going forward (this is the only way to justify the months long delay in this proceeding's schedule) and (2) produce materials targeted to ratepayers reflecting both the lessons from the listening sessions and how those lessons will be incorporated into the proceeding.

Furthermore, the listening sessions must be co-designed with CBOs from the beginning.²² It is vital that the expertise and labor of these non-party CBOs is properly compensated.²³ This collaboration will ensure sessions are appropriately designed both in form and content. This also includes coordination on outreach and identifying ratepayers and communities to whom outreach should be targeted. In order to maximize public outreach and engagement, we recommend that the Commission do the following in coordination with CBOs:

1. Provide sufficient notice such that ratepayers can make arrangements to prepare for and attend the sessions.
2. Hold the listening sessions at a variety of times and days of the week. This must include both evenings and weekends to ensure those who work during standard business hours can participate.

²¹ The survey of LIHEAP assistance recipients makes clear the variety and intensity of problems related to high utility bill burdens: APPRISE, 2018 National Energy Assistance Survey: Final Report. Prepared for National Energy Assistance Directors' Association. Washington, DC: NEADA, (December 2018), pp. i-ii for a summary and pp. 17-35 for details, <http://www.appriseinc.org/wp-content/uploads/2019/02/NEADA-2018-LIHEAP-Survey.pdf>.

²² Commenters would welcome the opportunity to work with Commission staff to identify CBOs.

²³ See R.21-02-014, Transcript of November 9, 2021 Workshop, pp. 120-122.

3. Allow for meaningful participation both in-person and virtually.
4. Hold workshops in English, Spanish, and all other languages spoken by the participants. This must include simultaneous interpretation, as well as multi-lingual outreach and workshop materials.
5. The workshops must provide food, water, and childcare in order to allow ratepayers to participate regardless of familial status and to participate in longer workshops.

Accessibility must be a guiding principle for these listening sessions. In order to make sessions more accessible, the Commission must structure them to achieve the stated goal of maximizing public engagement. Engagement does not simply mean that ratepayers attend the workshop or provide public comment at the end of an hours-long highly technical workshop. Rather, it means that the planning, outreach, and sessions themselves are structured to provide ratepayers with the information they need to meaningfully engage and provide substantive and actionable feedback. Commission proceedings, especially those involving rate design, can easily become highly technical. In general, Commission proceedings and their associated workshops are designed to accommodate and facilitate the participation of paid advocates for whom this work is their full-time work. In order to ensure the listening sessions are accessible to all ratepayers, materials must be developed with ratepayers in mind. This does not mean the materials cannot lay out the substance of this proceeding. Rather, the Commission has an obligation to provide ratepayers with clear background and context so that ratepayers are well positioned to provide meaningful input. Again, everyone knows bills are too high. Ratepayers will be able to engage on more complex issues and support with co-creating solutions if they are given the tools and opportunity to do so.

Likewise, materials and the listening sessions must minimize “information dumping.” It is common practice for agency workshops to involve sometimes hours-long, technical presentations. These presentations center the expertise of the presenter. This model is problematic in most workshops, but it is especially problematic for an event whose purpose is to listen to ratepayers, not agency staff. Instead of only presenting materials, the listening sessions should include provocative questions from the beginning and be presented in an interactive and immersive format. These questions, and all materials, should be co-created with CBOs with expertise in community engagement. The finalized agenda, including questions to ratepayers,

should be shared with CBOs with sufficient time for those CBOs to prepare community residents to participate.

Through co-creation with CBOs, the Commission must also include materials to respond to questions that residents are likely to have during the listening sessions. CBOs should be viewed as a resource in identifying likely questions and community priorities in advance. For example, the Commission must be able to answer how different affordability programs may impact them, depending on whether they live in a mobile home, an apartment, rent a room, or own a home.

These listening sessions themselves provide an opportunity for outreach. The Commission should utilize ratepayer attendance to distribute information on programs that will likely benefit many attendees, but which they may not know about, including CARE, medical baseline, and weatherization programs.

This outline of how to maximize public outreach and engagement for the listening sessions will require the Commission to work in new ways. The Commission does not need to develop these new ways of working on its own. By co-designing these listening sessions with compensated CBOs, the Commission can leverage the expertise of CBOs and begin an iterative process of meaningful partnership. Doing so represents a significant step forward for the Commission's community engagement efforts, as required by ESJ Action Plan Goal 5.

E. The Commission Should Consolidate Affordability-Related Proceedings that Intend to Have the Same End-Use Impact.

Equity enhancing initiatives generally fall into two broad categories: (1) rate or bill relief and (2) implementation programs to provide direct energy and non-energy benefits to qualifying customers. The Commission currently has multiple proceedings and applications to achieve these two end goals. For example, multiple initiatives across various proceedings aim to enhance equity through energy efficiency and distributed energy resources. The Commission oversees the Energy Savings Assistance Program ("ESAP"), focused on low-income customers that meet income eligibility requirements through A.19-11-003 et al. Moreover, the general energy efficiency proceeding (R.13-11-005) aims to serve customers who could benefit the most through programs such as the Middle-Income Direct Install ("MIDI") programs, a Multifamily Energy Efficiency Rebate Program ("MFEER") and offerings through the Regional Energy Networks which are designed to serve hard-to-reach customers. In addition to energy efficiency

programs, the Commission also oversees programs for other DERs such as the California Solar Initiative (“CSI”) for Single Family and Multifamily Affordable Homes (“SOMAH”), the San Joaquin Valley Affordable Energy Proceeding, and the Building Decarbonization Proceeding, which requires a portion of its funds be spent on new low-income housing.

Each of these equity enhancing programs are managed and implemented separately, overseen very differently, including different policy rules, cost-effectiveness, and metrics of success. Yet they all aim to reach similar customers and face somewhat similar barriers to implementation. This regulatory fragmentation hinders participation for equity advocates and members of the very communities the Commission aims to serve because meaningful participation in each of these processes requires substantial time and resources. Equity-enhancing initiatives are fragmented even though the individual requirements for these programs have similar and overlapping objectives, are all funded by utility-customers, and they have a similar target customer base.

One way forward is to use the affordability proceeding as an umbrella proceeding for all equity enhancing initiatives (i.e., both rate relief and DER programs.) This will provide CBO’s and environmental justice advocates, who are often resource strapped, a specific forum to provide input into the Commission’s various equity enhancing proceedings. Individual proceedings would then incorporate this policy guidance from the affordability proceeding. For example, the recent affordability en banc provided this overarching-forum to present and discuss the affordability challenges facing California customers and solutions to alleviate these challenges.

Moreover, a proceeding that provides common oversight to equity enhancing programs will increase regulatory efficiency of these initiatives, increase the accountability of all actors involved, enable the Commission to better coordinate across these initiatives, deliver better and more comprehensive programs to customers, and develop guiding principles for success and an overarching budget that meets those requirements. In sum, it will enable the Commission to best enhance equity, by providing the most energy and non-energy benefits, for each customer dollar spent.

Finally, in addition to consolidating proceedings, the Commission should make them more accessible to the public and not just for the advocates who are used to Commission rules and protocols. This would include allowing more time for comments from the public and

opening for public comments in the beginning of meetings. The Commission should also have all relevant documents for affordability and equity initiatives housed in one place on their website. This webpage should include, among others, a document that clearly lays out the history of the Commission work on energy affordability, as well as a simple summary of how California bills are determined – for instance, it should have a breakdown of non-marginal system costs (like wildfire mitigation) so that the public can better understand how certain funds can be removed from rates and be funded by taxes instead.

III. Conclusion

While we appreciate the opportunity to comment on the Commission’s listening sessions and always value meaningful and targeted community engagement around the implementation of energy affordability solutions in California, we urge the Commission to ensure the listening sessions lead to the implementation of effective solutions in the immediate term, and not delay actions around affordability until the next legislative session or into the coming calendar year. If we are to make the energy transition inclusive of historically disregarded communities, these solutions cannot continue to wait. Thank you for your consideration of these comments.

Respectfully submitted,

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